



CENTRAL INTELLIGENCE AGENCY

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Mr. John O'Sullivan
Editorial Page Editor
NEW YORK POST
210 South Street
New York, NY 10002

Dear Mr. O'Sullivan:

J
Howard
Niles Lathem's column which appeared in the NEW YORK POST on 21 October is filled with errors concerning the Edward Howard case. Among those we can comment on are the following:

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- As the State Department has stated publicly, Mr. Howard was never assigned to Moscow.
- When Mr. Howard was separated from the Agency he had not "bragged to colleagues about passing secret information to the Soviets."
- CIA has always had a permanent counterintelligence staff. Moreover, the Agency counterintelligence program has been continually strengthened since the 1970s. This is not a self-serving statement--the results are evident to any reader of the world press over the last three years. As the Director, Mr. Casey, said in his interview published in TIME Magazine, 28 October edition:

"Over the past three years, the Soviets have lost 200 of their intelligence officers arrested or expelled from 20 to 25 countries. A number of their most senior people gave up and turned against them. What rating do you give that combination of factors? I wouldn't mark it very high."

- Mr. Lathem says, "The CIA, as usual, isn't commenting." Mr. Lathem never asked us to comment. If he had, he would have been told what I have written in this letter.

While Mr. Lathem and his sources are entitled to the opinions reflected in his column, to present them as facts does a disservice to the truth, to the American public, to the NEW YORK POST and to the Agency.

Sincerely,

George V. Lauder
Director, Public Affairs

STAT

How to Improve U.S. Intelligence

From Page 1

They were set for political intelligence in 40 countries where stability was judged directly to affect major American interests.

The group recommended more resources to hire expert political analysts — not collectors — and demand greater coordination in the collection of political intelligence between the Foreign Service and the intelligence community.

The only tangible result achieved by the group, however, was a substantial expansion of reporting requirements that fell largely on clandestine collectors because the Foreign Service was not given the staff resources to respond.

During his 1980 presidential campaign Reagan pledged to make improved intelligence one of his top priorities. Once elected, he appointed Casey as director of central intelligence.

Politics and the CIA

Casey moved decisively and rapidly to bring in his own team to reorganize the analytic part of the CIA along geographic lines, to parallel the organization of the operations directorate, and to substantially increase the National Foreign Intelligence Program budget.

According to a Jan. 16, 1983, New York Times Magazine report by Philip Taubman, the CIA is the fastest-growing major federal agency. Its 25 percent budget increase in fiscal year 1983 exceeded even the Pentagon budget's 18 percent growth that year.

Although the intelligence budget's size is classified, Taubman quotes congressional sources as pegging the cost of annual CIA operations at more than \$1.5 billion.

In his exhaustive 1983 study, "The Puzzle Palace," James Bamford reports that estimates of the supersecret National Security Agency's budget run "as high as \$10 billion."

Yet little improvement is apparent with respect to the accuracy of the intelligence community's product.

Charges of intelligence failures have surfaced over estimates of the Soviet military buildup, the accuracy of arms-control monitoring, the threat against the U.S. Embassy and the Marine barracks in Beirut, the ability of the Lebanese army, the nature and extent of the Cuban presence in Grenada, and the likely outcome of elections in El Salvador, as well as that country's domestic politics in general.

Another major congressional and public concern has been the politicization of the position of the



CIA Director William Casey

CIA director in the Reagan administration.

The appointment of Casey and his elevation to cabinet status have put the intelligence community deeply into the policymaking arena.

In the atmosphere of a National Security Council meeting, the cabinet room, and the Oval Office itself, the central intelligence director can be tempted, if not basically inclined, to take sides and to express a policy preference.

Yet the temptation is an important one to resist, especially for the president's sake. As the president's principal adviser, only the CIA director can provide the security council with assessments independent of policy preferences.

Report on Lebanon

The trend today at the CIA and elsewhere in the intelligence community is to tailor the product to the needs and nuances of policy debate.

As one senior intelligence officer said in an interview, "Casey comes back here from the White House looking for reports to buttress his stand. He does not ask us for a review of an issue or a situation. He wants material he can use to persuade his colleagues, justify controversial policy, or expand the agency's involvement in covert action."

A case in point is Lebanon. Casey repeatedly returned drafts of one National Intelligence Estimate for revision with the notation "try again."

Many analysts think Casey was dissatisfied with the National Intelligence Estimate's conclusion that the government of Lebanese Presi-

dent Amin Gemayel, and especially its army, were not viable and that they would not be significantly strengthened by a U.S. Marine presence.

Charges that reports have been altered have also surfaced in connection with the CIA's work on Central and South America. Two senior analysts resigned recently claiming that Casey ordered their findings to be rewritten to inflate the threat to U.S. security.

Senate Minority Leader Robert Byrd, D-W.Va., has asked the Senate Select Committee on Intelligence to conduct a thorough evaluation of their allegations. "If accurate," Byrd said in a letter to the committee's vice chairman, "these reports indicate there has been a shocking misuse of the CIA for political purposes."

In addition, the Senate select committee has repeatedly expressed "concern" about whether Casey would keep the committee "fully and currently informed of all intelligence activities."

These anxieties proved well-founded when it was revealed by the New York Times that the CIA had launched a covert action to mine the harbors of Nicaragua without adequately briefing the committee.

Unfortunately, some of these problems are not new. Policy-makers constantly seek intelligence to support their policies and frequently encourage the CIA director to provide it. And intelligence officials have always tried to tell congressional oversight committees as little as possible, especially regarding covert operations.

One fundamental problem is that the current reporting system

discourages analysts and agencies from sharing information. Consequently, when collectors or analysts in one part of the community find new data that challenge conventional wisdom, their first instinct is to squirrel them away.

What Is Needed

The immediate need is for an overhaul of the analytic career service and production process that will correct patterns of thinking and of management that have contributed to past intelligence failures.

A central, community-wide foreign-intelligence data base should be created to assure that an analyst working on a specific problem would have access to all the information collected.

Analysts also should be provided with incentives to do more reflective writing and research. Work and travel abroad should be facilitated and a thorough, substantive review procedure for all products and publications should be developed. These steps would greatly improve the accuracy and quality of the intelligence product.

Analysts must also pay more attention to distinguishing between what they know and do not know, to identifying judgments based on specific evidence vs. those based on speculation, and to making projections about the future.

Reorganizing the way U.S. intelligence services collect, analyze and disseminate the knowledge essential for national decision-making should be a high priority.

In particular, a return to the concept of central intelligence collection and analysis would help improve the performance of both tasks. Such centralization, along with the separation of collectors from analysts, would break down agency-erected barriers to the badly needed sharing of all information.

Thus the United States should establish a central collection agency, able to command and mix human and technical intelligence collectors to use each most effectively.

Also needed is a central agency for research and analysis where, again, the best talent can be deployed to work on a problem in as much depth as required. These two agencies should replace the CIA, NSA, and other intelligence organizations.

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Excerpted from the Winter issue of Foreign Policy magazine. Allen E. Goodman served in several senior staff positions in the Central Intelligence Agency from 1975 to 1980, including presidential briefing coordinator of central intelligence. He is associate dean of the School of Foreign Service at Georgetown University.